

FEBRUARY 1999 TAX FACTS

SUMMARY OF GENERAL FUND REVENUES

	<u>February 1999</u>	Fiscal Year <u>Total</u>
Individual Income Tax		
Net Collections	\$56,098,385	\$1,250,523,679
Percent Change	(8.0%)	11.5%
Corporate Income Tax		
Net Collections	(\$15,077)	\$255,441,564
Percent Change	NA	(6.0%)
Transaction Privilege, Severance & Use Taxes		
Net Collections	\$197,165,003	\$1,681,458,733
Change	5.1%	8.3%
Total Big Three Tax Types		
Net Collections	\$253,248,311	\$3,187,423,976
Percent Change	(2.3%)	8.0%

TAX FACTS

February 1999

INDIVIDUAL INCOME TAX

Individual Income Tax Receipts

	February 1999	February 1998	% Change
Gross Collections	\$7,127,932	\$10,033,267	(29.0%)
Withholding	\$168,876,107	\$162,088,149	4.2%
Refunds	(\$91,546,433)	(\$86,894,740)	5.4%
Urban Revenue Sharing	(\$28,359,221)	(\$24,270,298)	16.8%
Net Collections	\$56,098,385	\$60,956,377	(8.0%)

	Fiscal Year Total	Fiscal Year Total	% Change
Gross Collections	\$283,920,642	\$250,524,565	13.3%
Withholding	\$1,360,267,894	\$1,223,193,154	11.2%
Refunds	(\$166,791,086)	(\$157,808,596)	5.7%
Urban Revenue Sharing	(\$226,873,771)	(\$194,162,385)	16.8%
Net Collections	\$1,250,523,679	\$1,121,746,737	11.5%

Federal Retiree Program

The Federal Retiree Project is drawing to a close. Refunds sent out directly as a result of the Federal Retiree Program is \$870 for February and \$0.824 million for the fiscal year. The total revised estimated cost of the FRP project is \$162.1 million. The estimate for the final credit payout for the remaining credit holders is \$.15 million.

Federal Employees Retirement Contribution Program

The Federal Employees Retirement Contribution Project is also nearing completion. Refunds issued as a result of the FERC project totaled \$9,900 for February and \$0.422 million for the fiscal year. In addition to this amount, \$0 of available credits was used to cover outstanding agency debts. The law firm of Bonn, Lusher, Padden & Wilkins has obtained a temporary restraining order requiring the department to withhold 20% of each claimants refund based on the law firm's claim that they should be entitled to fees from each claimant that benefited from the their work. This amount is equal to \$1,900 for the month of February and \$0.087 million for the fiscal year.

Individual Income Tax Document Count

In calendar year 1998, the following individual income tax returns were filed:

	140X	140	140NR	140PY	140NPR	141	140A	140PTC	TOTAL
#	38,237	1,142,300	66,008	102,748	280	38,999	569,223	18,721	1,976,516
%	1.9	57.8	3.3	5.2	0.0	2.0	28.8	0.9	

In calendar year 1999 the number of returns filed, and processed, are as follows:

	140X	140	140NR	140PY	140NPR	141	140A	140PTC	140E	TOTAL
#	2,628	185,293	2,722	3,864	15	2,323	98,599	6,846	32,781	335,071
%	0.8	55.3	0.8	1.2	0.0	0.7	29.4	2.0	9.8	

The 335,071 returns filed through February 1999 compares to 314,810 filed through February 1998, an annual increase of 6.4%. This count represents multiple tax years. For tax year 1998 filed in 1999, 324,864 returns have been filed, an increase of 6.6% from 1997 returns filed in 1998 for the same period of time.

Year-Over-Year Comparison of Resident Taxpayers

Comparisons of Federal Adjusted Gross Income (FAGI) and tax liability growth between two tax years can be made from taxpayers who have filed for both calendar years to be compared and who have indicated the same marital status on the tax returns for both years. The Department of Revenue has received, 139,603 returns in calendar year 1999 for tax year 1998 from filers who also have returns on record from calendar year 1997 with the same marital status. On average, these filers experienced a 7.9% growth in FAGI and a 10.3% increase in tax liability. More specifically, 27.0% of these filers experienced a decrease in tax liability, on average a decrease of 24.0% with a corresponding average decrease in FAGI of 10.9%. Filers showing an increase in tax liability totaled 76,720, or 55.0%, with an average FAGI increase of 19.2% and an average tax liability increase of 33.7%.

Average Individual Income Tax Refund

	Average	Number
1999	\$413.30	265,228
1998	\$409.64	264,538
% Change	0.9%	0.3%

"New" Filers in Calendar Year 1999

Table 1 attached to this report presents the number of "new" returns filed in calendar year 1999 through the end of February. "New" returns are for those filers who did not file in the previous calendar year. Therefore, these filers could be new full-year residents of Arizona, or they may be newly required to file an individual income tax return. (The filer may not have earned enough income in the previous year to file, such as a recent graduate just entering the work force.) The table indicates that 29,865 "new" returns have been filed thus far in 1999, representing approximately 36,006 persons, not including dependents. The average Federal Adjusted Gross Income for these 29,865 returns is \$14,042, with an average tax liability of \$113. The right half of this table presents characteristics of the filers represented on the returns. Of all "new" returns, 20.1% had a married filing joint filing status, 3.6% claimed a 65 And Over Exemption and 66.6% claimed dependents.

Individual Income Tax Estimated Payments

Beginning in 1990, individuals are required to make estimated payments to Arizona if their Arizona gross income will exceed \$75,000, in an amount which will represent unpaid tax liability at the end of the taxpayer's tax year. The total estimated payments on the 140ES for tax year 1998 were \$334.2 million, for an average of \$1,773. A total additional \$51.9 million in estimated payments was received as refunds on the 1998 tax returns applied to 1999 estimates, for an average of \$1,759.

2/99	140ES payment	\$63,419	cumulative	\$335,135
2/98	140ES payment	\$129,982	cumulative	\$248,223
	percent change	(51.2%)		35.0%
2/99	Average payment	\$628	cumulative	\$1,727
2/98	Average payment	\$890	cumulative	\$1,286
	percent change	(29.4%)		34.3%
2/99	applied refund	\$102,286	cumulative	\$102,286
2/98	applied refund	\$98,912	cumulative	\$102,103
	percent change	3.4%		0.2%
total 2/99		\$165,705	cumulative	\$437,420
total 2/98		\$228,894	cumulative	\$350,326
	percent change	(27.6%)		24.9%

Withholding

Withholding payments are received from employers and applied towards a specific quarter for the designated year. Information is gathered for 15 months for any given quarter. For example, from January 1997 through March 1998, \$403,625,797 was received for the first quarter of 1997. The latest complete quarter (15 months of information has been compiled) is the fourth quarter of 1997, which shows a growth rate of 12.6% in withholding payments over the fourth quarter of 1996. Growth in quarters for which information is still being gathered is as follows:

1st Quarter 1998	10.8%	4 th Quarter 1998	10.9%
2nd Quarter 1998	13.3%	1st Quarter 1999	3.3%
3rd Quarter 1998	11.3%		

The comparisons made above were against the same number of months of collections in the previous year. In other words, the fifteenth month of information available for the fourth quarter of 1998 was compared against the fifteenth month of collections for fourth quarter 1997. Current choices for withholding are 0%, 10%, 17%, 20%, 22%, 28% or 32% as the percent of federal taxes to be withheld for state taxes. The 0% option is only available to those individuals who had no liability in the prior tax year and expect no tax liability for the current year.

Property Tax Credits

Arizona allows a refundable property tax credit if you are age 65 or older or if you received Title 16, SSI payments. Additionally, your household income must be below \$3,751 if you live alone, or \$5,501 if you live with another person, to qualify for this credit. The maximum credit is \$502.

	Number	\$	Average
Calendar Year 1999	6,052	1,986,121	328.18
Calendar Year 1998	6,074	1,987,416	327.20
% Change	(0.4%)	(0.1%)	0.3%

Contributions on the Individual Income Tax Return

Through mid-March 1999 the following contributions have been made by individual income tax return filers

	Number	Amount	Average
Wildlife	2,926	\$32,622	\$11.15
Child Abuse	3,446	\$36,488	\$10.59
Special Olympics	1,645	\$14,841	\$9.02
Neighbors Helping	1,056	\$9,147	\$8.66
AID to Education	80	\$4,141	\$51.76
Domestic Violence Shelter	2,483	\$25,270	\$10.18
Democratic Party	186	\$1,552	\$8.34
Green Party	0	\$0	\$0
Republican Party	132	\$1,352	\$10.24
Libertarian Party	39	\$438	\$11.23

Reform Party	9	\$135	\$15.00
New Alliance	0	\$0	\$0

CORPORATE INCOME TAX

Corporate Income Tax Receipts

	February 1999	February 1998	% Change
Gross Collections	\$11,264,835	\$14,368,141	(21.6%)
Refunds	(\$11,279,912)	(\$3,741,928)	201.4%
Net Collections	(\$15,077)	\$10,626,213	NA

	Fiscal Year Total	Prior Fiscal Year Total	% Change
Gross Collections	\$328,704,447	\$358,629,406	(8.3%)
Refunds	(\$73,262,884)	(\$86,995,884)	(15.8%)
Net Collections	\$255,441,564	\$271,633,522	(6.0%)

Corporate Estimated Payments

Corporations are required to file estimated tax payments throughout the year only if (1) their Arizona tax liability exceeds \$1,000 and (2) they are required to file federal estimated tax payments.

Feb 1999	\$3,702,874	Calendar Year Total	\$18,866,205
Feb 1998	\$8,824,510	Calendar Year Total	\$24,227,429
% Change	(58.0%)	% Change	(22.1%)

All corporations with an income tax liability of \$20,000 or greater are required to make their estimated tax payments through electronic funds transfer (eft). The table below shows the number of these eft estimated payments, by size of payment, for January 1999 and for the fiscal year.

Size of Payment →	Less than \$50,000	\$50,000 up to \$100,000	\$100,000 up to \$500,000	\$500,000 up to \$1,000,000	\$1,000,000 up to \$10,000,000	\$10,000,000 and more	Total	% chg
Feb 1999	77	10	5	2	0	0	94	(5.1)
Feb 1998	76	8	11	3	1	0	99	
CY 1999	229	28	20	7	1	0	285	5.9
CY 1998	202	27	29	9	2	0	269	

Corporate Refunds

Corporate refunds paid in any state fiscal year are for a mixture of corporate fiscal years. The table below presents the percent of refunds paid in FY 98/99 by corporate fiscal year. For example, in FY 97/98, 2.8% of the refund dollars paid were for corporate fiscal years ending in 1993 or before. The percentages are for refunds paid through the fiscal year.

Corporate Fiscal Year-End:	93 & Prior	94	95	96	97	98
FY 97/98	2.8%	3.5%	5.4%	70.9%	16.9%	0.5%

Corporate Fiscal Year-End:	94 & Prior	95	96	97	98	99
FY 98/99	3.6%	1.2%	3.6%	78.5%	13.0%	0.1%

The corporate refunds shown above are those refunds for which a check is mailed to the corporation. Sometimes corporations choose to apply their refund as an estimated payment. The following table present information on refunds applied as estimated payments in the most recent month and for the calendar year.

Mar 1999	\$5,062,390	Calendar Year Total	\$11,353,080
Mar 1998	<u>\$3,433,303</u>	Calendar Year Total	<u>\$10,101,328</u>
% Change	47.4%	% Change	12.4%

Corporate Income Tax Document Count

The Arizona Department of Revenue received 91,679 corporate returns showing a fiscal year-end of 1997. The type of return received is indicated below:

	<u>120X (amended)</u>	<u>120 (regular)</u>	<u>120S (S corp)</u>	<u>99T (exempt org.)</u>
#	464	51,681	39,178	356
%	0.5%	56.4%	42.7%	0.4%

Through February 1999, documents have been received for a fiscal year-end of 1998, distributed as follows:

	<u>120 X (amended)</u>	<u>120 (regular)</u>	<u>120S (S corp)</u>	<u>99T (exempt org.)</u>
#	52	13,965	1,256	89
%	0.3%	90.9%	8.2%	0.6%

The figures shown above for the 1998 returns are most meaningful when compared to 1997 returns received during the same period of time in the previous year. Through February 1998 the Arizona Department of Revenue received 17,617 documents with a fiscal year-end of 1997. This represents an decrease of 12.8% in corporate returns received at this point of time in the calendar year.

Urban Revenue Sharing Returned to Cities/Towns

Incorporated cities and towns receive a share of net individual and corporate income tax collections, called Urban Revenue Sharing. The amount of money to be distributed is 15.0% of net income tax collections two years earlier. For example, the money being distributed in Fiscal Year 1998/1999 is based on net income tax collections in Fiscal Year 1996/1997. Amounts returned for February 1999 are shown on Table 2, at the end of this report.

TRANSACTION PRIVILEGE, SEVERANCE AND USE TAXES

Transaction Privilege, Severance and Use Tax Receipts

The Arizona transaction privilege and severance tax consists of many categories of tax. These categories include retail, contracting, amusements, restaurants and bars, hotel/motel and mining severance tax. The collections for all such categories are divided, per statute, into two parts. One part is called distribution base; the other part is known as non shared. The division of collections into these two parts varies from category to category. For example, retail sales tax is 40% distribution base and 60% non shared. In contrast, contracting is 20% distribution base and 80% non shared. Mining severance is 80% distribution base and 20% non shared. Use tax is 100% non shared.

At the close of each month, the computer aggregates transaction privilege and severance tax collections by category and calculates total distribution base and non shared portions. The amount shown as "Use Tax" in the table below includes use tax, use inventory tax, jet fuel use tax, and over 10 million gallon jet fuel use tax. The "Other Revenue" category includes county excise, road, jail and hospital taxes and various other excise taxes, such as the 911 excise tax.

	<u>February 1999</u>	<u>February 1998</u>	<u>% change</u>
Distribution Base	\$84,277,978	\$81,665,984	3.2
Non shared	157,274,200	149,700,456	5.1

Use Tax	10,823,329	9,715,363	11.4
Other Revenues	31,037,037	23,924,740	29.7
Total Collections	\$283,412,544	\$265,006,542	6.9

	Fiscal Year Total (98/99)	Fiscal Year Total (97/98)	% change
Distribution Base	\$708,854,216	\$664,100,312	6.7
Non shared	1,339,808,152	1,235,146,010	8.5
Use Tax	97,166,762	89,004,330	9.2
Other Revenues	216,480,992	244,654,425	11.5
Total Collections	\$2,362,310,122	\$2,232,905,077	5.8

Distribution of Transaction Privilege, Severance and Use Tax Receipts

Of the distribution base portion of transaction privilege and severance taxes, described above, 25% is returned to incorporated cities/towns, 40.51% is returned to counties and 34.49% goes to the state general fund. All of the non shared portion and use tax is deposited into the general fund. Therefore, the "Retained By State" figure presented below includes all non shared portion of transaction privilege and severance tax, use tax and 34.49% of the distribution base collections. "Other" revenues are returned to the administering authority.

	February 1999	February 1998	% change
Retained by State	\$197,165,003	\$187,582,417	5.1
Returned to Counties	34,141,009	33,082,890	3.2
Returned to Cities	21,069,495	20,416,496	3.2
Other	31,037,037	23,924,740	29.7
Total Collections	\$283,412,544	\$265,006,542	6.9

	Fiscal Year Total (99/98)	Fiscal Year Total (98/97)	% change
Retained by State	\$1,681,458,733	\$1,553,198,537	8.3
Returned to Counties	287,156,843	269,027,036	6.7
Returned to Cities	177,213,554	166,025,078	6.7
Other	216,480,992	244,654,425	(11.5)
Total Collections	\$2,362,310,122	\$2,232,905,076	5.8

Transaction Privilege and Severance Tax Collections By Class

	Tax Rate	February 1999	% Chg	Fiscal Year Total	% Chg
Transporting/Towing	5%	\$357,434	11.4	\$2,577,011	36.6
Non-Metal Mining/Oil & Gas	3.125%	536,278	14.7	4,415,444	11.7
Utilities	5%	20,199,063	(0.7)	180,490,760	3.2
Communications	5%	9,173,934	20.2	69,404,210	11.7
Railroads/Aircraft	5%	146,301	(20.0)	1,357,503	1.5
Private Car/Pipelines	5%	69,342	157.8	584,295	36.0
Publishing	5%	439,304	(0.3)	3,902,223	7.7
Printing	5%	1,674,126	(1.2)	13,666,517	2.7
Restaurants/Bars	5%	22,821,846	5.1	172,316,468	7.5
Amusements	5%	3,122,273	6.3	20,916,258	0.0
Commercial Lease	0%	22,184	(97.0)	455,804	(87.9)
Rental of Personal Property	5%	12,131,288	0.1	103,658,537	18.1
Contracting	3.75% - 5%	35,681,076	12.8	329,585,441	15.9
Feed Wholesale	Repealed	(36)	N/A	600	N/A
Retail	5%	124,900,724	3.9	1,077,410,428	7.0
Advertising	0	0	N/A	0	N/A
Mining Severance	2.5%	1,232,255	(33.1)	12,656,122	(35.4)

Timber Severance	\$2.13/\$1.51 per 1000 board ft	1,468	(51.3)	32,345	(35.1)
Hotel/Motel	5.5%	8,319,942	1.9	52,034,628	3.7
Membership Camping	5%	22,448	33.1	59,272	12.6
	Tax Rate	February 1999	% Chg	Fiscal Year Total	% Chg
Use/Use Inventory	5%	10,825,062	11.4	97,201,512	9.2
Rental Occupancy Tax	3%	11,033	(40.3)	70,620	(11.4)
Jet Fuel Tax	\$.0305/\$.0105 gal	652,489	(17.6)	2,839,051	(13.7)
Total		\$252,339,833	4.7	\$2,145,635,047	7.9

The Use/Use Inventory category shown above includes jet fuel use tax. These collections include only the individual classes of transaction privilege tax, severance tax and use tax. The total does not include license fees or any other fees collected by the Department.

Transaction Privilege and Severance Tax Taxable Sales By Class¹

	February 1999	% Chg	Fiscal Year Total	% Chg
Transporting/Towing	\$7,148,671	11.4	\$51,540,211	36.6
Non-Metal Mining/Oil & Gas	17,160,882	14.7	141,294,196	11.7
Utilities	403,981,265	(0.7)	3,609,815,193	3.2
Communications	183,478,673	20.2	1,388,084,204	11.7
Railroads/Aircraft	2,926,021	(20.0)	27,150,053	1.5
Private Car/Pipelines	1,386,837	157.8	11,685,900	36.0
Publishing	8,786,078	(0.3)	78,044,454	7.7
Printing	33,482,516	(1.2)	273,330,349	2.7
Restaurants/Bars	456,436,912	5.1	3,446,354,451	7.5
Amusements	62,445,458	6.3	418,325,155	0.0
Commercial Lease	1,167,451	98.3	(63,256,099)	N/A
Rental of Personal Property	242,625,765	0.1	2,073,170,745	18.1
Contracting	713,622,006	12.8	6,591,759,522	15.9
Feed Wholesale	(7,574)	N/A	127,857	N/A
Retail	2,498,014,878	3.9	21,548,247,029	7.0
Advertising	0	N/A	0	N/A
Mining Severance	49,290,200	(33.1)	506,244,892	(35.4)
Timber Severance	0	N/A	0	N/A
Hotel/Motel	151,304,353	2.0	946,118,324	3.7
Membership Camping	448,960	33.1	1,185,432	12.6
Use/Use Inventory	213,563,427	12.9	1,939,115,314	9.3
Rental Occupancy Tax	367,781	(40.3)	2,354,016	(11.4)
Total	\$5,047,630,561	3.4	\$42,990,691,199	6.6

The Use/Use Inventory category shown above **does not** include jet fuel use tax. Since the jet fuel use tax is a gallonage tax, taxable income cannot be computed. A comparison can be made of gallons of jet fuel on which Arizona jet fuel tax or jet fuel use tax was paid. In **February 1999**, 26,209,171 gallons of jet fuel were taxed, a 23.6% decrease from the 34,310,433 reported for **February 1998**. Timber Severance includes only sales subject to a repealed rate. The current tax is per board feet upon which taxable income cannot be computed.

Accounting Credit

Effective to taxable periods beginning from and after July 1, 1995, a credit equal to one percent of the amount of tax due, up to \$10,000 per calendar year, is allowed to businesses for expenses incurred during the accounting and reporting of Transaction Privilege Tax. The amount of accounting credits claimed in **February 1999** was

¹These Taxable Sales figures are calculated on a per return basis, by taking collections and dividing them by the appropriate tax rate. These figures may not match other Taxable Sales figures calculated on the aggregate.

\$1,349,938 a 6.6% increase from the \$1,266,090 claimed in **February** 1998. Accounting credits claimed-to-date in FY 98/99 equals \$8,592,887 a 9.2% increase from the \$7,872,418 claimed to date in FY 97/98.

Taxable Sales by SIC Code Range

The taxable sales by SIC (Standard Industrial Classification) Code ranges are an indicator of business occurring for that type of retail sale. Certain limitations must be understood when using this information.

The Department of Revenue assigns a SIC code to a business based on its primary type of business activity. A grocery store would be assigned a SIC code of 5411. A business that deals primarily with dairy products would have a SIC code of 5451. A problem arises with businesses which derive revenue from multiple business activities. For example, a store like Smitty's might be considered both a grocery store or a department store; however, all revenue would be reported under only one of the two possible codes. In summary, an accurate description of what this information represents would be: "These figures represent taxable retail sales for those businesses which have a primary SIC code falling within one designated range."

If the taxable sales for these ranges were added together, the total would not equal retail taxable sales. This is again due to the primary SIC code assignment. There are businesses making retail sales which do not have a primary retail SIC code.

<u>SIC Code</u> <u>Range</u>	<u>Description</u>	<u>February 1999</u>	<u>February 1998</u>	<u>% Chg</u>
5211-5271	building materials, hardware, garden supply & mobile home dealers	\$143,596,720	\$134,505,587	6.8%
5311-5399	general merchandise stores	\$246,197,265	\$230,970,415	6.6%
5411-5499	food stores (no food sales)	\$220,548,555	\$216,061,700	2.1%
5511-5521	motor vehicle dealers	\$438,652,735	\$408,877,946	7.3%
5531-5599	misc. automotive, motorcycle & boat stores	\$125,423,829	\$128,915,724	(2.7%)
5611-5699	apparel & accessory stores	\$130,379,577	\$124,262,766	4.9%
5712-5733	furniture, home furnishings & equipment stores	\$146,718,399	\$140,087,667	4.7%
5912-5949	misc. retail stores	\$183,936,426	\$176,791,784	4.0%
	TOTAL	\$2,498,014,478	\$2,404,390,553	3.9%

<u>SIC Code</u> <u>Range</u>	<u>Description</u>	<u>Fiscal Yr 1999</u>	<u>Fiscal Yr 1998</u>	<u>% Chg</u>
5211-5271	building materials, hardware, garden supply & mobile home dealers	\$1,151,561,141	\$1,049,071,056	9.8%
5311-5399	general merchandise stores	\$2,437,432,643	\$2,341,524,641	4.1%
5411-5499	food stores (no food sales)	\$1,817,711,054	\$1,737,611,992	4.6%
5511-5521	motor vehicle dealers	\$3,496,000,754	\$3,201,520,961	9.2%
5531-5599	misc. automotive, motorcycle & boat stores	\$1,101,077,512	\$1,029,090,372	7.0%
5611-5699	apparel & accessory stores	\$1,397,864,801	\$1,264,928,955	10.5%
5712-5733	furniture, home furnishings & equipment stores	\$1,196,028,904	\$1,099,875,290	8.7%
5912-5949	misc. retail stores	\$1,627,008,861	\$1,563,986,564	4.0%
	TOTAL	\$21,548,208,550	\$20,142,603,053	7.0%

Transaction Privilege and Severance Tax Returned to Counties

Taxpayers reported the following taxable transactions and tax collections by county. The share of the revenues returned to each county for February 1999 is shown in the County Share column.

	Dist. Base Collections	County Share	% of Total	FYTD County Share	% Chg
Apache	93,334	\$261,778	0.8	\$2,336,190	4.2
Cochise	1,083,873	640,339	1.9	5,454,092	5.4
Coconino	1,701,680	877,398	2.6	8,457,649	3.7
Gila	527,738	285,562	0.8	2,692,766	(3.8)
Graham	298,517	172,255	0.5	1,487,444	4.7
Greenlee	594,566	247,375	0.7	2,179,797	(17.4)
La Paz	273,309	121,054	0.4	919,834	7.5
Maricopa	57,706,668	21,668,321	63.5	180,342,014	8.1
Mohave	1,628,493	890,461	2.6	7,885,421	3.4
Navajo	1,047,461	522,615	1.5	4,759,497	5.4
Pima	13,091,189	5,465,006	16.0	45,542,525	6.1
Pinal	1,569,140	838,644	2.5	7,117,254	3.9
Santa Cruz	492,271	227,460	0.7	1,935,713	7.4
Yavapai	2,131,419	1,060,429	3.1	9,249,839	5.5
Yuma	2,038,320	862,311	2.5	6,796,806	6.0
Total	\$84,277,978	\$34,141,009		\$287,156,843	6.7

Transaction Privilege and Severance Tax Returned to Cities/Towns

The portion of transaction privilege and severance tax returned to each incorporated city or town for February 1999 is shown on Table 3, attached to this report.

County Tax Collections

The following county-imposed tax collections were received by the Department of Revenue during February 1999 and returned to the counties. County taxes in all but Coconino County are imposed at 10% of the state transaction privilege tax rate. Coconino's Excise Tax is 10% of the state rate, and its Jail Tax is 6% of the state rate. The stadium tax was imposed at 5% of the state rate. This rate completed its run in November, 1997. Collections received now should be for prior periods. The rental car surcharge in Maricopa County is \$2.50 per car and in Pima County is \$3.50 per car. The RV Surcharge is \$0.50/day on each lease or rental of a parking space for recreational vehicles.

	Road Tax	Excise Tax	Jail Tax	Rental Car Surcharge	Hospital Tax	Stadium Tax	RV Surcharge
Apache		\$31,242					
Cochise		\$322,906					
Coconino		\$494,192	\$292,489				
Gila	\$161,914	\$158,368			\$1		
Graham		\$83,534					
Greenlee		\$44,289					
La Paz		\$74,743	\$74,761				
Maricopa	\$17,735,913		\$6,161,607	\$456,685		\$22,659	
Navajo		\$308,528					
Pima				\$118,270			\$35,469
Pinal	\$489,019	\$455,144					
Santa Cruz		\$140,665					
Yavapai		\$619,143					
Yuma		\$585,282	\$584,472				

OTHER TAXES

Luxury Taxes

The following revenues were received from the luxury taxes in February 1999. The table compares the receipts to February 1998 and also compares fiscal-year (FY) totals. Figures may not add to total due to rounding.

	February 1999	February 1998	% Change
Spirituos	\$1,592,609	\$1,525,807	4.4%
Vinous	\$487,452	\$788,647	(38.2%)
Malt	\$1,487,888	\$1,419,004	4.9%
Cigarette	\$11,188,838	\$12,439,012	(10.1%)
Other Tobacco	\$257,002	\$278,166	(7.6%)
Tobacco Licenses	\$350	\$275	27.2%
Total	\$15,014,139	\$16,450,911	(8.7%)

	FY 1999	FY 1998	% Change
Spirituos	\$12,982,264	\$12,524,438	3.7%
Vinous	\$5,342,177	\$5,265,698	1.5%
Malt	\$13,354,556	\$12,908,883	3.5%
Cigarette*	\$107,954,287	\$107,188,738	0.7%
Other Tobacco	\$2,298,658	\$2,277,466	0.9%
Tobacco Licenses	\$6,425	\$5,950	8.0%
Total	\$141,938,367	\$140,171,173	1.3%

*In July, 1998, \$352,900 of Cigarette and Tobacco tax collections was allocated for administrative expenses and is not reflected in Fiscal year collections.

General Fund revenues from luxury taxes:

	February 1999	FY 1999
Spirituos	\$1,114,827	\$9,087,585
Vinous	\$121,129	\$1,332,675
Malt	\$371,972	\$3,338,638
Cigarette	\$3,010,942	\$29,336,473
Other Tobacco	\$39,835	\$356,292
Tobacco Licenses	\$350	\$6,425
Total	\$4,654,055	\$43,458,088

Other dedicated revenues from luxury taxes:

	February 1999	FY 1999
Correction Fund revenues	\$1,722,395	\$16,018,168
Health Care Fund revenues	\$7,978,860	\$76,536,832
Wine Promotional Fund revenues	\$1,468	\$5,738
Drug Treatment & Education Fund revenues	\$466,515	\$4,272,105
Corrections Revolving Fund revenues	\$185,847	\$1,697,436

Estate Tax

February 1999	\$4,417,480	Fiscal year To Date	\$52,444,597
February 1998	\$4,090,402	Fiscal year To Date	\$42,448,410
% Change	8.0%	% Change	23.5%

Private Car

	February 1999	\$1,969	Fiscal year To Date	\$1,438,255
	February 1998	<u>\$11,493</u>	Fiscal year To Date	<u>\$1,511,606</u>
% Change		(82.9%)	% Change	(4.9%)

Bingo

	February 1999	\$32,158	Fiscal year To Date	\$485,021
	February 1998	<u>\$40,859</u>	Fiscal year To Date	<u>\$506,629</u>
% Change		(21.3%)	% Change	(4.3%)

Unclaimed Property

	February 1999	\$273,941	Fiscal year To Date	\$11,093,375
	February 1998	<u>\$164,184</u>	Fiscal year To Date	<u>\$8,726,932</u>
% Change		66.8%	% Change	27.1%

Please note that some totals throughout Tax Facts may not add due to rounding.

SOURCE: ECONOMETRICS SECTION, ARIZONA DEPARTMENT OF REVENUE

TABLE 2

**Urban Revenue Sharing Returned to Cities/Towns
February 1999**

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Scottsdale	\$1,399,341	168,176
Eagar	\$37,568	4,515	Surprise	89,339	10,737
Springerville	15,976	1,920	Tempe	1,279,897	153,821
St. Johns	27,958	3,360	Tolleson	36,911	4,436
<u>Cochise County</u>			Wickenburg	39,648	4,765
Benson	\$34,240	4,115	Youngtown	22,416	2,694
Bisbee	54,084	6,500	<u>Mohave County</u>		
Douglas	122,980	14,780	Bullhead City	\$224,159	26,940
Huachuca City	16,142	1,940	Colorado City	26,543	3,190
Sierra Vista	314,647	37,815	Kingman	139,530	16,769
Tombstone	11,691	1,405	Lake Havasu City	301,916	36,285
Willcox	29,397	3,533	<u>Navajo County</u>		
<u>Coconino County</u>			Holbrook	\$42,186	5,070
Flagstaff	\$453,311	54,480	Pinetop-Lakeside	27,467	3,301
Fredonia	10,401	1,250	Show Low	58,145	6,988
Page	66,150	7,950	Snowflake	34,281	4,120
Williams	22,383	2,690	Taylor	22,091	2,655
<u>Gila County</u>			Winslow	89,697	10,780
Globe	\$58,727	7,058	<u>Pima County</u>		
Hayden	7,572	910	Marana	\$50,873	6,114
Miami	16,974	2,040	Oro Valley	163,560	19,657
Payson	91,561	11,004	Sahuarita	19,229	2,311
Winkelman	5,625	676	South Tucson	45,364	5,452
<u>Graham County</u>			Tucson	3,695,535	444,138
Pima	15,393	1,850	<u>Pinal County</u>		
Safford	72,997	8,773	Apache Junction	\$162,462	19,525
Thatcher	32,925	3,957	Casa Grande	173,736	20,880
<u>Greenlee County</u>			Coolidge	58,702	7,055
Clifton	\$24,920	2,995	Eloy	74,179	8,915
Duncan	0.00	735	Florence	94,773	11,390
<u>La Paz County</u>			Kearny	20,427	2,455
Parker	\$24,546	2,950	Mammoth	16,309	1,960
Quartzsite	16,683	2,005	Superior	28,998	3,485
<u>Maricopa County</u>			<u>Santa Cruz County</u>		
Avondale	\$189,470	22,771	Nogales	\$171,864	20,655
Buckeye	40,414	4,857	Patagonia	7,863	945
Carefree	19,021	2,286	<u>Yavapai County</u>		
Cave Creek	25,594	3,076	Camp Verde	\$62,114	7,465
Chandler	1,101,327	132,360	Chino Valley	52,237	6,278
El Mirage	47,769	5,741	Clarkdale	21,634	2,600
Fountain Hills	117,705	14,146	Cottonwood	54,459	6,545
Gila Bend	14,536	1,747	Jerome	3,828	460
Gilbert	493,733	59,338	Prescott	258,657	31,086
Glendale	1,519,483	182,615	Prescott Valley	133,489	16,043
Goodyear	76,966	9,250	Sedona	74,004	8,894
Guadalupe	45,414	5,458	<u>Yuma County</u>		
Litchfield Park	31,111	3,739	San Luis	\$66,782	8,026
Mesa	2,813,367	338,117	Somerton	48,460	5,824
Paradise Valley	103,576	12,448	Wellton	9,369	1,126
Peoria	620,432	74,565	Yuma	522,473	62,792
Phoenix	9,563,944	1,149,417	TOTAL	\$28,359,221	3,409,012
Queen Creek	25,561	3,072			

TABLE 3

Transaction Privilege and Severance Tax Returned to Cities/Towns

February 1999

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Queen Creek	\$18,987	3,072
Eagar	\$27,905	4,515	Scottsdale	1,039,417	168,176
Springerville	11,867	1,920	Surprise	66,360	10,737
St. Johns	20,768	3,360	Tempe	950,695	153,821
<u>Cochise County</u>			Tolleson	27,417	4,436
Benson	\$25,433	4,115	Wickenburg	29,450	4,765
Bisbee	40,173	6,500	Youngtown	16,650	2,694
Douglas	91,348	14,780	<u>Mohave County</u>		
Huachuca City	11,990	1,940	Bullhead City	\$166,503	26,940
Sierra Vista	233,717	37,815	Colorado City	19,716	3,190
Tombstone	8,684	1,405	Kingman	103,641	16,769
Willcox	21,836	3,533	Lake Havasu City	224,260	36,285
<u>Coconino County</u>			<u>Navajo County</u>		
Flagstaff	\$336,715	54,480	Holbrook	\$31,335	5,070
Fredonia	7,726	1,250	Pinetop/Lakeside	20,402	3,301
Page	49,135	7,950	Show Low	43,190	6,988
Williams	16,626	2,690	Snowflake	25,464	4,120
<u>Gila County</u>			Taylor	16,409	2,655
Globe	\$43,622	7,058	Winslow	66,626	10,780
Hayden	5,624	910	<u>Pima County</u>		
Miami	12,608	2,040	Marana	\$37,788	6,114
Payson	68,011	11,004	Oro Valley	121,491	19,657
Winkelman	4,178	676	Sahuarita	14,283	2,311
<u>Graham County</u>			South Tucson	33,696	5,452
Pima	\$11,434	1,850	Tucson	2,745,007	444,138
Safford	54,222	8,773	<u>Pinal County</u>		
Thatcher	24,456	3,957	Apache Junction	\$120,675	19,525
<u>Greenlee County</u>			Casa Grande	129,049	20,880
Clifton	\$18,511	2,995	Coolidge	43,604	7,055
Duncan	4,544	735	Eloy	55,099	8,915
<u>La Paz County</u>			Florence	70,396	11,390
Parker	\$18,233	2,950	Kearny	15,173	2,455
Quartzsite	12,392	2,005	Mammoth	12,114	1,960
<u>Maricopa County</u>			Superior	21,539	3,485
Avondale	\$140,737	22,771	<u>Santa Cruz County</u>		
Buckeye	30,019	4,857	Nogales	\$127,659	20,655
Carefree	14,129	2,286	Patagonia	5,841	945
Cave Creek	19,011	3,076	<u>Yavapai County</u>		
Chandler	818,055	132,360	Camp Verde	\$46,138	7,465
El Mirage	35,482	5,741	Chino Valley	38,801	6,278
Fountain Hills	87,430	14,146	Clarkdale	16,069	2,600
Gila Bend	10,797	1,747	Cottonwood	40,452	6,545
Gilbert	366,740	59,338	Jerome	2,843	460
Glendale	1,128,657	182,615	Prescott	192,128	31,086
Goodyear	57,170	9,250	Prescott Valley	99,154	16,043
Guadalupe	33,733	5,458	Sedona	54,970	8,894
Litchfield Park	23,109	3,739	<u>Yuma County</u>		
Mesa	2,089,742	338,117	San Luis	\$49,605	8,026
Paradise Valley	76,935	12,448	Somerton	35,995	5,824
Peoria	460,851	74,565	Wellton	6,959	1,126

Phoenix	7,104,004	1,149,417	Yuma	388,088	62,792
			TOTAL	\$21,069,495	3,409,012